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BEFORE THE ARIZONA CORPORATION COMMISSION

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**COMMISSIONERS**

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ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF THE  
ARIZONA ELECTRIC POWER COOPERATIVE,  
INC. FOR A HEARING TO DETERMINE THE  
FAIR VALUE OF ITS PROPERTY FOR  
RATEMAKING PURPOSES, TO FIX A JUST AND  
REASONABLE RETURN THEREON AND TO  
APPROVE RATES DESIGNED TO DEVELOP  
SUCH RETURN

Docket No. E-01773A-09-0472

**AEPCO'S RESPONSE  
TO MOHAVE ELECTRIC  
COOPERATIVE'S REQUEST  
FOR EXPEDITED  
PROCEDURAL CONFERENCE**

GALLAGHER & KENNEDY, P.A.  
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(602) 530-8000

The Arizona Electric Power Cooperative, Inc. ("AEPCO") responds to Mohave's request for an expedited procedural conference. AEPCO agrees that a procedural conference will be needed, but suggests it will be much more productive if scheduled after the parties and Staff have had time to discuss relevant issues and a revised schedule.

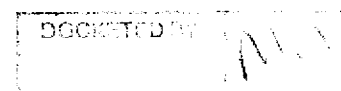
As discussed in the motion last spring which led to the postponement of the AEPCO and SWTC rate filings until October<sup>1</sup> and at pages 4-5 of Mr. Minson's direct testimony, a committee comprised of representatives of the member distribution cooperatives has been meeting primarily on cost allocation issues for many months. Late last week, this committee reached an agreement in principle on rate case issues which is in the process of being reduced to writing. The agreement also will need to be reviewed and approved by seven cooperative Boards of Directors, which will take until mid-April.

Arizona Corporation Commission

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<sup>1</sup> Decision No. 71112.



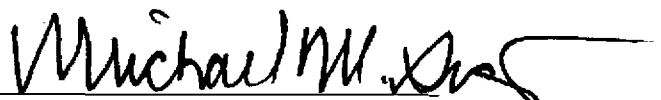
1 Although AEPCO anticipated and incorporated some of the agreement points in its rate  
2 filing, the results on all issues were not anticipated. Therefore, it will be necessary to file revised  
3 schedules and direct testimony to cover these issues. Assuming Boards' approvals, amended  
4 partial- and all-requirements agreements will also need to be filed for Commission review.

5 Last week, AEPCO promptly contacted Staff to arrange a meeting to discuss these  
6 matters as well as a revised schedule for processing the rate case. A meeting with Staff and its  
7 consultants has been scheduled for Thursday, March 11.

8 Therefore, AEPCO requests that the Administrative Law Judge take no action now on  
9 Mohave's request to schedule a Procedural Conference. AEPCO will meet with Staff and the  
10 other parties to the case, including Mohave, to attempt to develop a consensus on these issues  
11 and will promptly request a conference be set by the Administrative Law Judge when  
12 appropriate.

13 RESPECTFULLY SUBMITTED this 3<sup>rd</sup> day of March, 2010.

14 GALLAGHER & KENNEDY, P.A.

15  
16 By   
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20 **Original and thirteen copies** filed  
21 this 3<sup>rd</sup> day of March, 2010, with:

22 Docket Control  
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1 **Copies of the foregoing delivered**  
2 this 3<sup>rd</sup> day of March, 2010, to:

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18 **Copies of the foregoing mailed and/or**  
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